



February 4, 2021

Charlotte Mitchell, Chair, NC Utilities Commission via email

Dear Chair Mitchell:

We write out of concern that there have been instances where Duke Energy may not have been in compliance with aspects of the Commission's Order of July 29, 2020 "ORDER LIFTING DISCONNECTION MORATORIUM AND ALLOWING COLLECTION OF ARREARAGES PURSUANT TO SPECIAL REPAYMENT PLANS" (hereafter "the Order"), and with concerns regarding the way that Duke is administering NC HOPE program payments.

Our respective organizations have been informed of instances where Duke customers report not being offered 12-month repayment plans and instead 6-month plans. The most recent report came from a customer concerning an interaction with the Duke call center that allegedly occurred on January 6, 2021, who said he was only offered a 6-month repayment plan (see attached Exhibit 1, example A). We are also aware of customer experiences that indicate that how Duke is interacting with the NC HOPE program has unnecessarily resulted in the disconnection of customers and disconnection charges. This, despite funds being offered to pay delinquent accounts (see attached Exhibit 1, examples B-F).

While we support a new broad shutoff moratorium similar to the one instituted by the Commission on March 19, 2020, we are compelled to ask the Commission to suspend Duke DEC and DEP disconnections until our concerns are adequately addressed due to these specific examples, which are outlined below and in the attached exhibit.

Section 4 on page 7 of the Order requires Duke to offer customers a "Special Repayment Plan option based on equal, fixed monthly installments payable over no fewer than 12 months, unless the customer consents to a shorter repayment period."<sup>1</sup> We are concerned that repeated reports of customers being offered 6 month plans and not 12 or greater, suggests that there is a problem within the Duke customer interface to adequately comply with the order. When a customer contacts the NCJC we have referred these complaints to Duke staff, and we hasten to mention that Duke staff have been very responsive in helping address these concerns when brought to the company's attention and have worked with the customer. For example, one customer the NCJC recently referred to Duke was placed in a 14-month repayment plan after previously being in a 6-month plan. Our concern, however, is that there may be many customers that are not being offered the appropriate plans, who do not have the benefit of an organization like the NCJC advocating on their behalf, and who as a result, are at risk of disconnection and would otherwise be able to afford a 12-month repayment plan.

Legal Aid of NC in its administration of the NC Hope program has also encountered problems interacting with Duke on customer's behalf as referenced in the attached Exhibit 1, examples B-F. Legal Aid has received assurances from Duke Energy that an agreement was in place with NCORR to suspend disconnections for Hope applicants who would receive a temporary moratorium on disconnections through January 19, 2021. This was done to allow time for applicant utility funds to be disbursed to Duke. Regardless of these assurances, we are aware of instances where Duke has continued to disconnect services to Hope applicants.

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<sup>1</sup> NC utility Commission ORDER LIFTING DISCONNECTION MORATORIUM AND ALLOWING COLLECTION OF ARREARAGES PURSUANT TO SPECIAL REPAYMENT PLANS; July 29, 2020, page 7 Section 4 b.

For the reasons mentioned above we request that the Commission consider issuing a new order directing Duke Energy to suspend disconnections in the DEC and DEP territory until:

- 1) the Commission has established that Duke is in compliance with all provisions of the July 29, 2020 order including Duke demonstrating that its employees are trained appropriately and are offering terms that are in compliance with the Order;
- 2) the Commission determines that Duke Energy is appropriately interacting with all Federal and NC State programs, including the NC HOPE program, that have been established for distributing funds for utility assistance from the CARES Act of March 27, 2020; the Consolidated Appropriations Act of 2021; and the anticipated relief package proposed by the Biden administration.

Not only is it imperative to maintain utility service for the benefit and interests of each individual customer but also in regard to the state's COVID response, it is imperative to protect the public health by taking reasonable steps to help people live safely in their homes. A January 2021 report by the National Bureau of Economic Research and the Nicholas Institute at Duke University found that "Moratoria on utility disconnections reduce COVID-19 infections by 4.4% and mortality rates by 7.4%."<sup>2</sup>

We also recognize that there are compelling reasons the Commission can and should institute a moratorium on all utility disconnections in all areas where the Commission has jurisdiction. Given the current high rates of COVID spread in NC we encourage the Commission to institute a new disconnection moratorium and do not want our comments above to be construed by the Commission as not supporting a new general moratorium on disconnections.

We appreciate the Commissions attention to the issues we raise.

Sincerely,



George Hausen  
Legal Aid of North Carolina, Executive Director



Rick Glazier  
North Carolina Justice Center, Executive Director



Alfred Ripley  
Director of the Housing, Consumer and Energy Project  
North Carolina Justice Center

cc: All North Carolina Utility Commission Members

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<sup>2</sup> Housing Precarity & the COVID-19 Pandemic: Impacts of Utility Disconnection and Eviction Moratoria on Infections and Deaths Across US Counties Kay Jowers, Christopher Timmins, Nrupen Bhavsar, Qihui Hu, and Julia Marshall NBER Working Paper No. 28394 January 2021 JEL No. I14,R38,R5 at page 2.

## **Exhibit 1**

### EXAMPLE A

On January 7, 2021, the North Carolina Justice Center (NCJC) was asked to contact a Duke Energy Carolinas customer who had alleged that on January 6, 2021 the customer had been offered only a six month repayment plan. The customer reported having a family of 4 (husband and wife, children 6 and 8), and had lost his job in March 2020 due to the pandemic and is only employed part-time now with significantly less income. During the shutoff moratorium he could not afford to make utility payments and is behind \$1,917.

With only a 6-month repayment period, the customer reported being required by Duke to pay \$319.50 extra every month starting on January 25, 2021 for 6 months to avoid disconnection. The customer report being unable to afford the payment. Were he offered the 12 month plan required by the Utility Commission Order, his extra payment would be approximately \$160. Still a significant sum but certainly a better option.

NCJC staff investigated the customers concerns and on January 18, 2021, with the customer's permission, notified Duke staff of the customer's account number. Duke staff communicated with the customer on January 20, 2021 and placed the customer in a 14-month repayment plan resulting in an additional monthly payment of \$125. The customer now reports that barring any additional employment or financial problems he will now be able to afford the monthly payment.

### EXAMPLE B

The HOPE Program released an applicant's utility payments for Duke Energy on 1/6/21. Although the HOPE specialist assured the Duke representative that the check had been released, Duke staff responded that they had not received it and proceeded to disconnect the applicant's services. In addition to the significant inconvenience of the disconnection and increased COVID risk disconnections create, the applicant had to borrow \$530 to reconnect service. We are concerned that Duke will clear the HOPE program's check for \$1257.12 on top of the applicant's \$530 payment. The result is that DUKE will be paid for a disconnection that was unnecessary.

### EXAMPLE C

On January 13, 2021 the applicant for HOPE assistance completed a grant agreement for a utility award of \$390.0 toward the payment of the Duke electric bill. Duke had scheduled the disconnect for January 14, 2021. The HOPE specialist notified Duke that the applicant had already signed all necessary documents for the money to be released to Duke. Duke refused to stop the disconnect until it received the money.

### EXAMPLE D

The applicant signed all the required documents for the HOPE program to assist. The applicant was awarded \$547 for utility assistance in Wake County. However, Duke did not accept a pledge letter from HOPE and disconnected the electric services to the applicant's home.

### EXAMPLE E

On January 10, 2021 an applicant informed LANC that he Applicant for Hope notified Duke Energy of her status as a Hope applicant on January 10 and they proceeded with disconnection. The applicant stated that Duke Energy disconnected her electric service forcing her to move in with her sister. Applicant informed the customer service representative that she is a Hope applicant and was waiting for an award.

### EXAMPLE F

An applicant had his electricity shut off on January 25, 2021 while the Hope specialist was on the phone with the utility company, Duke Energy. The Duke agent advised they would not take a pledge and needed payment to turn the lights back on.